## A BILL FOR AN ACT

RELATING TO MINIMUM WAGE.

## BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that the hourly minimum wage in Hawaii is adjusted to account for increases in the cost of living. According to the United State Census Bureau, Hawaii has the highest cost of living, yet it is the ninth poorest state in the United States. In addition, although there is a 4.4 per cent unemployment rate in Hawaii, 17.3 per cent of Hawaii's population lives in poverty.

For seven years, the minimum wage in Hawaii has remained at $\$ 7.25$ per hour, while the costs of goods and services have increased. For example, seven years ago, the average price of gas was $\$ 2.81$ per gallon. Today, it is approximately $\$ 3.98$ per gallon, depending on the price of crude oil. This is a price increase of 41.64 per cent. The median price of a single-family home in Honolulu rose 14.2 per cent from 2012 to 2013. The median home price is currently $\$ 685,000$.

Minimum wage workers in Hawaii, working forty hours per week, currently earn $\$ 15,080$ per year. The annual income for minimum wage workers is approximately the same amount as the

cost of the least expensive new vehicle in Hawaii, which is a 2014 Ford Fiesta priced at $\$ 14,745$. Currently, minimum wage workers in Hawaii earn $\$ 58$ per day, while Hawaii's average hotel room rate is $\$ 355$ per night.

Minimum wage workers' annual income is less than half of the annual salaries of many entry level occupations in Hawaii. According to state and cịty and county of Honolulu websites that provide information on entry level salaries for state and county employees, minimum wage workers earn at least $\$ 24,124$ less per year than refuse workers, $\$ 28,679$ less per year than teachers, $\$ 29,596$ less per year than firefighter recruits, and $\$ 37,972$ less per year than police recruits.

Despite having the highest cost of living in the nation, Hawaii does not have the highest minimum wage. The state of Washington has the highest minimum wage at $\$ 9.32$ per hour. In addition to Washington, twenty other states and the District of Columbia have higher minimum wages than Hawaii. In recognizing the necessity for parity in pay, the city of seaTac in Washington enacted an ordinance to provide a minimum wage of $\$ 15$ per hour for hospitality and transportation workers.

On the national level, the United States Senate is working to raise the federal hourly minimum wage. Currently, senate SB2 609 SD1 LRB 14-1848. doc

Bill 1737 proposes to directly help American families and strengthen the American economy by raising the federal minimum wage level to $\$ 10.10$ over the span of three years. This legislature, like the United States Senate, is committed to economically lifting minimum wage workers and their families' income.

The legislature recognizes its obligation to increase the hourly minimum wage to $\$ 10.10$ over the span of three years. By raising the minimum wage to $\$ 10.10$ per hour, minimum wage workers in Hawaii will earn $\$ 21,008$ annually. These adjustments to the minimum wage will strengthen Hawaii's economy by helping to lift minimum wage workers and their families from poverty.

The purpose of this Act is to give Hawaii workers a higher wage that recognizes increased costs of living and enables them to build a better life.

SECTION 2. Section 387-2, Hawaii Revised Statutes, is amended to read as follows:
"s387-2 Minimum wages. Except as provided in section 387-9 and this section, every employer shall pay to each employee employed by the employer, wages at the rate of not less than:
(1) $\$ 6.25$ per hour beginning January 1, 2003;

(2) $\$ 6.75$ per hour beginning January 1, 2006; [and]
(3) $\$ 7.25$ per hour beginning January 1, $2007[-]$ i
(4) $\$ 8.20$ per hour beginning January 1, 2015;
(5) $\$ 9.15$ per hour beginning January 1, 2016; and
(6) $\$ 10.10$ per hour beginning January 1, 2017.

The hourly wage of a tipped employee may be deemed to be increased on account of tips if the employee is paid not less than [25] $\qquad$ cents below the applicable minimum wage by the employee's employer and the combined amount the employee receives from the employee's employer and in tips is at least [50] $\qquad$ cents more than the applicable minimum wage."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2050.
Report Title:Labor; Minimum Wage; Tip Credit
Description:
Increases minimum wage rate to $\$ 8.20$ per hour beginning on$1 / 1 / 15$, $\$ 9.15$ per hour beginning on $1 / 1 / 16$, and $\$ 10.10$ per hourbeginning on $1 / 1 / 17$. Changes the tip credit and tip creditdeactivation trigger amounts to unspecified amounts. Effective7/1/2050. (SD1)

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